

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

SURFACE SUPPLIED INC.,

No. C 13-575 MMC

Plaintiff,

v.

**ORDER DENYING DEFENDANT'S
MOTION TO DISMISS OR TO
TRANSFER**

KIRBY MORGAN DIVE SYSTEMS, INC.,

Defendant.

Before the Court is defendant Kirby Morgan Dive Systems, Inc.'s ("Kirby Morgan") motion, filed April 5, 2013, to dismiss the above-titled action, or, in the alternative, to transfer venue to the District Court for the Central District of California ("Central District"). Plaintiff has filed opposition, to which defendant has replied. Having read and considered the papers filed in support of and in opposition to the motion, the Court rules as follows.

BACKGROUND

Plaintiff Surface Supplied Inc. ("Surface Supplied") is a California corporation, established on June 30, 2011, whose principal place of business is the Northern District of California, and whose three employees reside in said district. (See Van Der Schyff Decl. ¶ 2.) Surface Supplied "is engaged in the business of research, design, development and manufacture of digital gas analyzer and depth gauge products . . . for the commercial diving industry." (See First Amended Complaint ("FAC") ¶ 5.) Surface Supplied's products are "alpha stage products," and, to date, none have been sold. (See Van Der Schyff Decl. ¶ 3.)

1 Surface Supplied maintains a website “on which it describes the external
2 specifications of its products,” but through which it does not “sell or offer [them] for sale.”
3 (See Van Der Schyff Decl. ¶ 5.) On the home page of its website, Surface Supplied has
4 used a “cropped version” of “a public domain and well known photograph of an underwater
5 water diver against a backdrop of an American flag.” (See id. ¶ 6.)¹ On three occasions in
6 2011, Surface Supplied used the cropped version in advertisements appearing in the
7 national publication Underwater Magazine, and on one occasion in the national publication,
8 Marine Technology Report, which publications were distributed to consumers in the Central
9 District. (See id. ¶ 6.) Surface Supplied also “maintains a presence on the social media
10 sites Facebook and Twitter” (see id. ¶ 5), on which it has used a photograph of “a fully
11 outfitted diver standing on seaside rocks” (see id. ¶ 7).² Surface Supplied’s products are
12 engraved with a logo of a “highly fanciful abstract image of a helmet.” (See FAC ¶ 6; Van
13 Der Schyff Decl. ¶ 8.) Surface Supplied has also “digitally superimposed this logo over a
14 picture of a tee shirt, which has been displayed on its website and social media sites,” but
15 Surface Supplied “has never printed or distributed any tee shirt bearing this logo.” (See
16 Van Der Schyff Decl. ¶ 8.)

17 On January 22, 2013, Kirby Morgan, a corporation that sells commercial diving
18 helmets and surface gas controllers and analyzers (see FAC ¶ 4), sent Surface Supplied a
19 cease and desist letter, by which letter Kirby Morgan accused Surface Supplied of
20 infringing its trademarks by “using images and representations of Kirby Morgan’s helmets
21 on its website, Facebook page, t-shirts, Twitter and on the panels of Surface Supplied’s gas
22 analyzer equipment” and demanded that Surface Supplied cease its use of the infringing
23 images (see FAC Ex. C at 1). The letter also demanded an answer no later than February
24 1, 2013, and stated, “If Kirby Morgan does not receive a suitable response by the

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26 ¹ Surface Supplied obtained the photograph from a United States Navy website.
(See Van Der Schyff Decl. ¶ 6.)

27 ² Surface Supplied purchased the photograph from its original author. (See Van Der
28 Schyff Decl. ¶ 7.)

Venue is proper in:

(1) a judicial district in which any defendant resides, if all defendants are residents of the State in which the district is located;

(2) a judicial district in which a substantial part of the events or omissions giving rise to the claim occurred, or a substantial part of property that is the subject of the action is situated; or

(3) if there is no district in which an action may otherwise be brought as provided in this section, any judicial district in which any defendant is subject to the court's personal jurisdiction with respect to such action.

See 28 U.S.C. § 1391(b); Golden Scorpio Corp. v. Steel Horse Bar & Grill, 596 F. Supp. 2d 1282, 1286 (D. Ariz. 2009) (noting “[b]ecause the Lanham Act has no special venue provision, the general venue statute applies”). Kirby Morgan argues venue is proper in the Central District pursuant to the first two subsections of § 1391(b). The Court addresses each in turn.

A. Judicial District in Which Any Defendant Resides

“A civil action may be brought in . . . a judicial district in which any defendant resides, if all defendants are residents of the State in which the district is located.” See 28 U.S.C. § 1391(b)(1). Surface Supplied is the defendant in the Central District action, and, consequently, for purposes of determining venue for said action, the Court must determine whether Surface Supplied resides in the Central District. “[I]n a State which has more than one judicial district and in which a defendant that is a corporation is subject to personal jurisdiction at the time an action is commenced, such corporation shall be deemed to reside in any district in that State within which its contacts would be sufficient to subject it to personal jurisdiction if that district were a separate State” See 28 U.S.C. § 1391(d). As a “California corporation” with its “principal place of business” in California (see Van Der Schyff Decl. ¶ 2), Surface Supplied is subject to personal jurisdiction in California, a state having more than one judicial district; consequently, the Court next considers whether Surface Supplied would be subject to personal jurisdiction in the Central District if such district were a separate state.

1 “Where, as here, there is no applicable federal statute governing personal
 2 jurisdiction, the district court applies the law of the state in which the district court sits.” See
 3 Schwarzenegger v. Fred Martin Motor Co., 374 F.3d 797, 800 (9th Cir. 2004). “Because
 4 California’s long-arm jurisdictional statute is coextensive with federal due process
 5 requirements, the jurisdictional analyses under state law and federal due process are the
 6 same.” See id. at 800-01.

7 “There are two types of personal jurisdiction, specific and general.” See Brand v.
 8 Menlove Dodge, 796 F.2d 1070, 1073 (9th Cir. 1986). “General personal jurisdiction, which
 9 enables a court to hear cases unrelated to the defendant’s forum activities, exists if the
 10 defendant has ‘substantial’ or ‘continuous and systematic’ contacts with the forum state.”
 11 Id. Surface Supplied’s only contacts with the Central District are its advertisements in
 12 national magazines, its passive website, and its accounts on Facebook and Twitter. Such
 13 contacts cannot be described as either “substantial” or “continuous and systematic.” See,
 14 e.g., Cubbage v. Merchant, 744 F.2d 665, 667 (9th Cir. 1984) (finding no general personal
 15 jurisdiction where non-resident defendant advertised in forum). The Court thus turns to
 16 specific jurisdiction.

17 The Ninth Circuit has articulated a three-prong test for analyzing specific jurisdiction:

18 (1) The non-resident defendant must purposefully direct his activities or
 19 consummate some transaction with the forum or resident thereof; or
 20 perform some act by which he purposefully avails himself of the privilege
 of conducting activities in the forum, thereby invoking the benefits and
 protections of its laws;

21 (2) the claim must be one which arises out of or relates to the defendant’s
 22 forum-related activities; and

23 (3) the exercise of jurisdiction must comport with fair play and substantial
 justice, i.e. it must be reasonable.

24 Yahoo! Inc. v. La Ligue Contre Le Racisme Et L’Antisemitisme, 433 F.3d 1199, 1205-06
 25 (9th Cir.2006) (en banc) (quoting Schwarzenegger, 374 F.3d at 802). Under the first prong,
 26 a party “purposefully avails itself of the forum if its contacts with the forum are attributable
 27 to (1) intentional acts; (2) expressly aimed at the forum; (3) causing harm, the brunt of
 28

1 which is suffered—and which the defendant knows is likely to be suffered—in the forum.”
 2 See Rio Properties, Inc. v. Rio Int’l Interlink, 284 F.3d 1007, 1019 (9th Cir. 2002) (citing
 3 Calder v. Jones, 465 U.S. 783, 788-89 (1984)).

4 The maintenance of a passive website alone does not constitute purposeful
 5 availment, see Cybersell, Inc. v. Cybersell, Inc., 130 F.3d 414, 418–20 (9th Cir.1997);
 6 rather, “‘something more’ [is] required to indicate that the defendant purposefully directed
 7 its activity in a substantial way to the forum,” see Rio Properties, 284 F.3d at 1020 (quoting
 8 Cybersell, 130 F.3d at 418). Here, Kirby Morgan argues Surface Supplied’s advertising in
 9 Underwater Magazine and Marine Technology Report and its presence on Facebook and
 10 Twitter constitute the “something more” required to show purposeful availment.

11 Advertisements that “specifically target[] consumers” in a forum constituting a
 12 trademark holder’s principal place of business can constitute the requisite “something
 13 more.” See Rio Properties, Inc., 284 F.3d at 1020 (holding advertisements that
 14 “demonstrate[d] an insistent marketing campaign directed toward” forum constituted
 15 purposeful availment). Advertising in national publications or on Facebook and Twitter,
 16 however, is not sufficient to support a finding of purposeful availment. See Cascade Corp.
 17 v. Hiab-Foco AB, 619 F.2d 36, 37-38 (9th Cir. 1980) (finding no specific jurisdiction where
 18 defendant patent holder advertised in “national publications” circulated in forum, visited
 19 forum on two occasions, and mailed accusatory letters to plaintiff in forum).

20 Accordingly, Surface Supplied would not be subject to personal jurisdiction in the
 21 Central District were such district a separate state, and, consequently, 28 U.S.C.
 22 § 1391(b)(1) does not provide for venue therein.

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 24 **B. Judicial District in Which a Substantial Part of Events or Omissions Giving
 Rise to the Claim Occurred**

25 “A civil action may be brought in . . . a judicial district in which a substantial part of
 26 the events or omissions giving rise to the claim occurred.” See 28 U.S.C. § 1391(b)(2).
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1 The “events or omissions giving rise to the claim[s]” in the Central District action³ are the
 2 design and use of Surface Supplied’s logo and other images that Kirby Morgan alleges
 3 infringes its trademarks. As all of Surface Supplied’s activities occurred in the Northern
 4 District of California, it cannot be said that a substantial part of the events or omissions
 5 giving rise to the claims occurred in the Central District. Section 1391(b)(2) thus does not
 6 provide for venue in the Central District.

7 Accordingly, the Court will deny Kirby Morgan’s motion to dismiss.

8 **II. Motion to Transfer**

9 In the alternative, Kirby Morgan moves to transfer the instant action to the Central
 10 District pursuant to 28 U.S.C. § 1404, which provides: “For the convenience of parties and
 11 witnesses, in the interest of justice, a district court may transfer any civil action to any other
 12 district or division where it might have been brought or to any district or division to which all
 13 parties have consented.” See 28 U.S.C. § 1404. As a threshold matter, the moving party
 14 must show the transferee forum is one in which the action might have been brought. See
 15 Hoffman v. Blaski, 363 U.S. 335, 343-44 (1960). The moving party then must demonstrate
 16 that a transfer of venue would promote the convenience of parties and witnesses and the
 17 interests of justice. See § 1404(a); Decker Coal Co. V. Commonwealth Edison Co., 805
 18 F.2d 834, 843 (9th Cir. 1986). The moving party must make a “strong showing of
 19 inconvenience to warrant upsetting the plaintiff’s choice of forum.” see Decker Coal Co. v.
 20 Commonwealth Edison Co., 805 F.2d 834, 843 (9th Cir. 1986).

21 Here, as an initial matter, the Court finds the instant action “might have been
 22 brought” in the Central District because Kirby Morgan is subject to personal jurisdiction in
 23 that district. See 28 U.S.C. § 1391(c) (holding, as to action against defendant corporation,
 24 venue proper in any district in which defendant is subject to personal jurisdiction); (see also

26 ³ In the Central District action, Kirby Morgan alleges the following claims:
 27 (1) Trademark Infringement, (2) False Designation of Origin, (3) Dilution of a Famous Mark,
 28 and (4) State Law Trademark Infringement and Unfair Competition. (See Cislo Decl. Ex.
 D.)

1 Morgan Decl. ¶¶ 2-3 (stating Kirby Morgan’s “principal facilities” and all of its employees,
2 other than a single employee in Florida, are located in the Central District).)

3 Next, in considering the question of convenience, the Court weighs a number of
4 private and public factors. See Decker Coal Co., 805 F.2d 843 (listing relevant factors).
5 Here, the only factor identified by Kirby Morgan that assertedly makes the Central District a
6 more convenient forum is that Kirby Morgan’s “documents” are located in the Central
7 District and its “senior management” and “other employees” are located there. (See
8 Morgan Decl. ¶ 3.) Surface Supplied, however, points out that all of the “documents
9 regarding [Surface Supplied’s] operations,” as well as all of Surface Supplied’s employees,
10 are located in the Northern District. (See Van Der Schyff Decl. ¶ 2.) Where “transfer would
11 merely shift rather than eliminate the inconvenience,” such factors do not weigh in favor of
12 transfer. See Decker, 805 F.2d at 843. Further, contrary to Kirby Morgan’s argument, the
13 “interests of justice” (see Mot. at 12) do not weigh in favor of transfer. See McCormack v.
14 Safeway Stores, Inc., No. 12-4377, 2012 WL 5948965 at *4 (N.D. Cal. Nov. 28, 2012)
15 (noting “[d]eference to the plaintiff’s choice of forum should be minimized where . . . the
16 forum selected by plaintiffs is not the situs of material events”). As noted, Surface
17 Supplied’s principal place of business is in this district, it designed the products bearing the
18 assertedly infringing marks in this district, it maintains the subject webpage and social
19 media accounts in this district, and it placed the subject advertisements from this district.
20 (See Van Der Schyff Decl. ¶¶ 2, 5-8.) Thus, and again contrary to Kirby Morgan’s
21 argument, the Northern District is the “place where the case finds its center of gravity.” See
22 McCormack, 2012 WL 5948965 at *4 (internal quotation and citation omitted).

23 Accordingly, the Court finds Kirby Morgan has failed to show transfer is appropriate
24 under § 1404(a).

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CONCLUSION

For the reasons stated above, Kirby Morgan's motion to dismiss or, in the alternative, to transfer is hereby DENIED.

IT IS SO ORDERED.

Dated: May 29, 2013


MAXINE M. CHESNEY
United States District Judge